

Indicative Notice of Change to Transportation Charges

From 1st April 2027



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Introduction

This notice provides indicative levels of gas transportation (LDZ), Exit Capacity and Supplier of Last Resort (SoLR) charges that will apply from the 1st April 2027, in line with our Gas Transporter Licence (GTL) requirement to provide 150 days' notice of such proposals.

The definitive notice of WWU's LDZ, Exit Capacity and SoLR charges from the 1st April 2027 will be published by 31st January 2027, in accordance with the two months' notice requirement within the Uniform Network Code (UNC).

Our Allowed Revenue

WWU is required to set charges to collect the forecast allowed revenue calculated under the RIIO-GD3 price control. This allowance is split between Transportation revenue, Exit Capacity revenue which recovers the costs incurred from utilising the upstream network, the National Transmission System (NTS) and SoLR revenue. Please note that minor variances may arise when reconciling individual figures to the reported totals in the tables throughout this notice due to rounding.

RIIO-GD3 began on the 1st April 2026, and we are currently in the process of calculating our revenue allowances for 2027/28, the second year of RIIO-GD3, as part of the 2026 Annual Iteration Process (AIP) with the Regulator. In line with the provisions set out in Special Condition 2.1.5 of the GTL, the Price Control Financial Model (PCFM), which calculates our allowed revenues for 2027/28, will be published by the 31st January 2027. The forecast allowed revenues presented in this notice are based on the first dry run PCFM submitted to the Office of Gas and Electricity Markets (Ofgem) on the 28th September 2026, as part of the 2026 AIP.

Transportation

<i>Nominal values</i>	Allowed revenue for 2026/27 (£'m)	Forecast collection for 2027/28 at current charge rates (£'m)	Forecast allowed revenue for 2027/28 (£'m)	Delta required to be resolved (£'m)	Price change required
Transportation Revenue	606.5	628.9	659.5	30.6	4.9%

Allowed revenue for 2026/27 is £606.5m. If transportation charge rates were not adjusted in 2027/28, we would collect a forecast of £628.9m. Forecast allowed revenue for 2027/28 is £659.5m which reflects an increase of £53.0m upon the previous year and a variance to forecast collection at the current charge rates of £30.6m.

Exit Capacity

<i>Nominal values</i>	Allowed revenue for 2026/27 (£'m)	Forecast collection for 2027/28 at current charge rates (£m)	Forecast allowed revenue for 2027/28 (£'m)	Delta required to be resolved (£m)	Price change required
Exit Capacity Revenue	62.7	64.3	72.7	8.5	13.2%

Allowed revenue for 2026/27 is £62.7m. If Exit Capacity charge rates were not adjusted in 2027/28, we would collect a forecast of £64.3m. Forecast allowed revenue for 2027/28 is £72.7m which reflects an increase of £10.0m upon the previous year and a variance to forecast collection at the current charge rates of £8.5m. The allowed revenue in 2027/28 is made up of our base allowance plus the cost true ups and correction factors from 2025/26 and 2026/27. The base allowance in 2027/28, which is calculated using a combination of booking volumes and unit price, incorporates the latest published final and indicative price information from National Gas NTS.

SoLR

When the Ofgem revokes a supply licence (usually because of insolvency), it can appoint a 'Supplier of Last Resort' (SoLR) on a case-by-case basis to take over the supply of gas and/or electricity to the insolvent supplier's customers. The aim is to provide seamless continuity of service for customers. The regulatory regime for this is primarily provided for in the Standard Conditions of the supply licences held by Great Britain's (GB's) electricity suppliers and gas suppliers.

The gas and electricity supply standard licence conditions allow a supplier acting as SoLR to make a claim for any reasonable additional, otherwise unrecoverable, costs they incur. Historically SoLRs have claimed for the following categories of costs:

- Customer credit balances;
- Working capital; and
- Operational costs (including customer service, IT, complaints/enquiries specific to the SoLR, onboarding costs, communication and wholesale energy purchase costs).

For the 2027/28 regulatory year, Ofgem are yet to provide a final SoLR direction that covers all claims, and accordingly we have not included a forecast at this stage.

Indicative Transportation Charges

To collect the estimated Allowed Revenue, for 2027/28 of £732.2m, prices are forecast to change as follows:

	Forecast allowed revenue for 2027/28 (£'m)	Indicative Price Change on 1 st April 2027
Transportation	659.5	4.9% increase
Exit Capacity	72.7	13.2% increase
SoLR	TBC	TBC
Total	732.2	5.6% increase

We are also required to levy charges for transportation income excluding Exit Capacity and SoLR in the proportions set out in the UNC Section Y. Our charges should seek to recover allowances in the following proportion:

System Charges		Customer Capacity
71.8%		28.2%
System Capacity (plus any Optional Tariff)	Commodity	
95%	5%	

Therefore, we will adjust the specific unit rates to bring collection in line with the proportions set out in UNC. All networks are required to maintain such revenue splits to retain cost reflectivity in their charging.

The specific price increases required to maintain the collection apportionment required are:

Total Revenue					
5.6%					
Transportation Revenue			Exit Capacity		SoLR
4.9%			13.2%		TBC
Capacity		Commodity	By Exit Zone		
System	Customer	23.1%	SW1	11.6%	
			SW2	12.9%	
4.4%	4.0%		SW3	12.2%	
			WA1	10.4%	
			WA2	15.0%	

Reason for the price change

Reason for the price change

In setting network charges each network must consider:

1. The movement in allowed revenue year on year; and
2. Changes to the chargeable base (i.e., demand) which have occurred over the past charging year and forecast to occur in the next.

The movement in allowed revenue compared to the prior year is explained as follows:

Allowed Revenue Movement

£'m nominal	2026/27	2027/28	Change	Commentary
Fast Money	171.4	171.2	-0.2	Reflects the year on year profile of totex expenditure forecast and the changes to associated totex allowances.
Depreciation	181.4	201.0	19.6	Movement largely relates to accelerated depreciation coming into effect from 1 April 2027 and higher depreciation from slow money additions.
Return on RAV	166.6	173.4	6.8	Increase in the year on year RAV balance, and therefore return, combined with a small increase in the semi-nominal WACC rate.
Pass through	139.6	152.4	12.8	The increase is due to a significant rise in NTS Exit Capacity and Business Rates in 2027/28 along with increases in Xoserve costs, Licence fees and Shrinkage coupled with the negative SoLR value in 2026/27 not featuring in 2027/28. These increases are partially offset by a decrease in the Pension Scheme Established Deficit (PSED) allowance.
Other	43.6	49.7	6.1	Variance consists of a higher tax allowance of £8.4m predominantly due to higher regulatory profits before tax (for the reasons set out above), partially offset by movements to other revenue allowances of -£2.2m and business plan incentive of -£0.1m.
Correction term	-16.1	-4.1	12.0	The 2026/27 value reflects the AIP adjustment relating to the 2024/25 and 2025/26 years. The 2027/28 value reflects the updated 2025/26 AIP adjustment for actuals to the end of RIIO-GD2 and the true up relating to 2026/27.
Revenue profiling adjustment	-21.9	-11.3	10.7	Reflects the revenue reprofiling adjustments in RIIO-GD3 directed by Ofgem with a nil net present value over the RIIO-GD3 price control period.
Total Allowed Revenue	664.6	732.2	67.6	
Of which:				
Transportation	606.5	659.5	53.0	
Exit Capacity	62.7	72.7	10.0	
SoLR	-4.6	TBC	4.6	

Uncertainties and assumptions

There are a number of significant movements that can, and are expected to, occur between these indicative estimates and final price setting in January 2027. These include, but are not limited to:

2026 AIP

Our indicative charges are based on the forecast allowed revenue per our first dry run submission of the 2026 AIP which was submitted to Ofgem on the 28th September 2026. There are expected to be further changes to the forecast allowed revenue for 2027/28 following Ofgem's review of our submission and other updates required to PCFM values.

Forecast allowed revenues, and therefore unit rates, will be updated with finalised figures for the 60-day pricing notice due to be published by the 31st January 2027. These will include updates for the following:

- Financing parameters including inflation, Weighted Average Cost of Capital (WACC) allowances and Real Price Effects (RPEs) will be updated in the PCFM following the OBR publications in November 2027 and prior to the Final Pricing Notice being published by 31st January 2027. These updates to inflation, WACC and RPEs are likely to materially impact 2027/28 final allowed revenue figures;
- Ofgem final direction(s) in respect of the SoLR claims for 2027/28 are expected later in the calendar year that covers all claims. Therefore, no forecast in respect of SoLR in 2027/28 has been included in forecast allowed revenue at this stage but values will be included in final pricing;
- Exit Capacity and Shrinkage pass through costs will continue to be updated throughout the 2026 AIP to reflect the latest data. We are expecting updates to Exit Capacity bookings and shrinkage gas prices remain sensitive (due to ongoing geopolitical events) which will impact 2027/28 final allowed revenue figures. We will update for these forecast costs later in the AIP; and
- The 2026 Triennial Review in respect of the reasonableness of Pension Scheme Established Deficit (PSED) Allowances is ongoing. Ofgem is expected to issue its final direction in respect of revised PSED allowances applicable from 2027/28 later in the calendar year. The updated allowances will be reflected in the PCFM and therefore Allowed Revenues for 2027/28 ahead of final price setting.

Chargeable Base

A network demand snapshot is provided by Xoserve each October which is used as the basis to determine the indicative price change for the upcoming regulatory year. For the final price change calculations, a snapshot is provided by Xoserve in December and differences between the two snapshots are adjusted for in the final 60-day notice of charges.

Current and Indicative Charges from 1st April 2027

Charges to recover Transportation Allowed Revenue

	Current Price effective from 1 st April 2026	Indicative Price effective from 1 st April 2027
LDZ SYSTEM COMMODITY CHARGES	Pence per kWh	
UP TO 73,200 KWH PER ANNUM	0.0651	0.0801
73,200 KWH - 732,000 KWH PER ANNUM	0.0568	0.0699
732,000 KWH PER ANNUM AND ABOVE	0.6600	0.8125
	x SOQ ^	
	-0.2775	-0.2775
SUBJECT TO A MINIMUM RATE OF	0.0046	0.0057

LDZ SYSTEM CAPACITY CHARGES	Pence per peak day kWh per day	
UP TO 73,200 KWH PER ANNUM	0.3347	0.3494
73,200 KWH - 732,000 KWH PER ANNUM	0.2903	0.3031
732,000 KWH PER ANNUM AND ABOVE	2.5997	2.7141
	x SOQ ^	
	-0.2513	-0.2513
SUBJECT TO A MINIMUM RATE OF	0.0246	0.0257

LDZ CUSTOMER CAPACITY CHARGES	Pence per peak day kWh per day	
UP TO 73,200 KWH PER ANNUM	0.1784	0.1855
73,200 KWH - 732,000 KWH PER ANNUM	0.0069	0.0072
732,000 KWH PER ANNUM AND ABOVE	0.1409	0.1465
	x SOQ ^	
	-0.2100	-0.2100

Current and Indicative
Charges from 1st
April 2027

LDZ CUSTOMER FIXED CHARGES	Pence per day	
73,200 KWH - 732,000 KWH PER ANNUM - BI ANNUAL READ SITES	55.7399	57.9695
73,200 KWH - 732,000 KWH PER ANNUM - MONTHLY READ SITES	59.3508	61.7248

Charges to recover Exit Capacity Allowed Revenue

	Current Price effective from 1 st April 2026	Indicative Price effective from 1 st April 2027
EXIT CAPACITY UNIT RATES BY EXIT ZONE	Pence per peak day kWh per day	
SW1	0.0285	0.0318
SW2	0.0487	0.0550
SW3	0.0336	0.0377
WA1	0.0384	0.0424
WA2	0.0359	0.0413

Charges to recover SoLR Allowed Revenue

	Current price effective from 1 st April 2026	Indicative Price effective from 1 st April 2027
SUPPLIER OF LAST RESORT CHARGES	Pence per peak day kWh per day	
LRSP Domestic Charge	-0.0047	TBC
LRSP Industrial Charge	0.0000	TBC

Indicative LDZ System Entry Commodity Charge for Distributed Gas

Site Name	Gemini Name	Alias	LDZ System Entry Commodity Charge (p/kWh) Current Prices effective 1 st April 2026	LDZ System Entry Commodity Charge (p/kWh) Indicative prices effective 1 st April 2027
Bromham House Farm	BROMOS		-0.2020	-0.2501
Cannington Biomethane	CANNOS		-0.2161	-0.2646
Bishops Cleeve Biomethane	CLEEOS	Grundon Landfill / Wingmoor Farm	-0.1982	-0.2462
Enfield Biomethane	ENFDOS	Gorst Energy	-0.1258	-0.1564
Five Fords Biomethane	FIVEOS		-0.1258	-0.1564
Fraddon	FRADOS	Penare Farm	-0.1982	-0.2462
Frogmary Biomethane	FROGOS	SEG	-0.2092	-0.2576
Great Hele Biomethane	HELEOS	Condate	-0.2073	-0.2556
Helscott Farm Biomethane	HELSOS	East Helscott	-0.2073	-0.2556
Rotherdale	ROTHOS	Vale Green 2	-0.1399	-0.1709
Spittles Farm	SPITOS	Bearley Farm	-0.1311	-0.1619
Springhill Biomethane	SPNGOS		-0.1220	-0.1525
Pennans Farm	PENSOS		-0.2073	-0.2556
Northwick Biomethane	NOCKOS		-0.1258	-0.1564
Avonmouth Wessex	WESXOS	Wessex Water	-0.2189	-0.2676
Willand Biomethane	WILLOS	Lloyd Maunder	-0.1098	-0.1400
Wyke Farm	WYKEOS		-0.2134	-0.2619
Evercreech Biomethane	EVEROS		-0.1754	-0.2228
Trowbridge Biomethane	TRWBOS		-0.1098	-0.1400
Charlton Park Biomethane	CPFAOS		-0.1982	-0.2462
Great Porthamel Farm	GPBTOS	GP Biotec	-0.1287	-0.1595
Brains Farm	BRNFOS		-0.2073	-0.2556

Indicative LDZ System Entry Commodity Charge for Distributed Gas

The LDZ System Entry Commodity charge rates reflect the operating costs associated with the entry of the distributed gas and the benefits in terms of deemed NTS Exit and distribution network usage reductions. The rate associated with the LDZ system Entry Commodity Charge is calculated on a site-by-site basis. There are currently 22 sites located within our network. Should further sites be connected during the charging year a separate statement will be issued specific to those new connections.

Further information

If you have any queries or require further details on this notice, please contact the WWU Pricing Team:
pricing@wwutilities.co.uk.

Our APVs. Guiding how we work.

Our ambition

"Trusted to deliver safe and reliable energy today, while supporting a green energy future and keeping our communities connected."

Our priorities



Caring for our customers and communities.



Championing greener solutions.



Working safely and securely.



Investing in our people.

Our values



We are proud to serve together.

We're proud of who we are and thrive when we work together – united by purpose – to deliver for our customers.



We make a difference.

We show that we care by making a positive impact for our colleagues, customers, communities and the environment.



We do the right thing.

We put safety and security first and act responsibly every day to protect our colleagues, customers and communities.



We challenge ourselves.

We embrace new ideas so we can grow, innovate and perform at our best, whilst delivering value for money for our customers.